

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI				
3	EXDIR		X		
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO		X		
8	DDS&T				
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/OLL		X		
14	D/PAO				
15	VC/NIC				
16	NIO/LA		X		
17	C/LA/DO		X		
18	D/ALA/I		X		
19	C/CATF/DO		X		
20					
21					
22					
SUSPENSE		Date			

Remarks Per NSC, the meeting at 1600 today will not include us (since both CIA and DOD are not to be associated with this process). We are, however, being kept informed and C/CATF is a member of IG.

Executive Secretary
21 Aug 85

Date

3637 (10-81)

25X1

~~SECRET~~THE WHITE HOUSE
WASHINGTONSYSTEM II
90809

Executive Registry

August 21, 1985

85- 3244

SECRETMEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of StateTHE HONORABLE EDWIN MEESE III
The Attorney GeneralTHE HONORABLE JOSEPH R. WRIGHT
The Director, Office of Management and Budget
(Acting)THE HONORABLE FRED F. FIELDING
Counsel to the PresidentSUBJECT: Establishment of Nicaraguan Humanitarian
Assistance Office (NHAO) (U)

The FY-85 Supplemental provides \$27M from now through March 31, 1986 to be used as humanitarian assistance for the Nicaraguan Democratic Resistance. These funds may be provided through "...such department or agency of the United States as the President shall designate, except the Central Intelligence Agency or the Department of Defense..."

Attached at Tab A is an interagency-prepared draft Executive Order (E.O.) which establishes a Nicaraguan Humanitarian Assistance Office (NHAO) for the purpose of administering the \$27M. In preparing the draft E.O., the Interagency Group agreed that the entity employed for administering this assistance must support the following objectives:

- deliveries must commence immediately and must be maintained on an expedited basis;
- the aid must be delivered discreetly (covertly) in order to protect the host nations (Costa Rica, El Salvador, Honduras);
- the entity chosen must have the authority to handle classified material, enjoy FOIA protection, and have minimum overhead costs; and
- our delivery procedures should in every way support the development of the Unified Nicaraguan Opposition (UNO) and its own integral logistics system. (S)

SECRET

Declassify: OADR

~~SECRET~~DCI
EXEC
REG

C-387

SECRET

SECRET

2

The draft E.O. envisions that the NHAO would be a small, autonomous office, headed by a Presidentially-appointed director and subject to the policy guidance of the Secretary of State. Day-to-day policy oversight for the NHAO would be exercised through the extant Interagency Group (IG) on Latin America, chaired by the Assistant Secretary of State for Inter-American Affairs. The NHAO would receive primary administrative support from the Department of State but would have the latitude to call on other agencies, other than CIA or DOD, to detail personnel to the NHAO staff. (C)

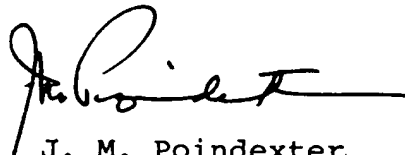
The E.O. permits the \$27M to be obligated through grants to the Unified Nicaraguan Opposition (UNO) and through contracting or procurement where necessary. The order provides for a determination under Section 633 of the Foreign Assistance Act (FAA) waiving a variety of legal provisions which could otherwise encumber the contracting and procurement process. As suggested in consultations with the Congress, the E.O. provides for auditing by an independent accounting firm. The order delegates to the NHAO Director certain Presidential powers relative to the NHAO mission, thereby confirming the autonomy of NHAO. It also ascribes authorities to the NHAO Director similar to those held by the heads of other agencies administering foreign assistance programs. The NHAO would cease to exist on April 1, 1986 or one week after funds are exhausted (whichever is later). (C)

The NHAO Director would be available for Congressional testimony on the operational aspects of the program administered by his office. Testimony on policy matters would be provided through the State Department's normal legislative channels. (C)

Given the urgency of the situation in Nicaragua and the need to commence delivery of humanitarian supplies to the resistance, the Interagency Group has recommended that the normally applicable procedures for circulation and review of this draft order be expedited. Accordingly, I will convene a meeting in the Roosevelt Room on Wednesday, August 21, at 4:00 p.m. for the purpose conducting a final review of the draft E.O. Your departments/agencies are requested to designate representatives (principal plus one) to attend. Our goal is to have the E.O. before the President not later than August 26, 1985 and to commence providing humanitarian assistance to UNO not later than September 1. (S)

CC: The Secretary of Defense
Director of Central Intelligence

Attachment
Tab A - Draft Executive Order


J. M. Poindexter
Deputy Assistant to the
President for National
Security Affairs

SECRET

SECRET

TAB

A

CONFIDENTIAL

EXECUTIVE ORDER _____

Establishment of Nicaraguan Humanitarian Assistance Office

By the authority vested in me as President by the Constitution and laws of the United States of America, section 301 of title 3 of the United States Code, the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 et seq.) (the FAA), including but not limited to sections 621, 632 and 633 thereof, and in order to implement the functions authorized thereunder pursuant to the provisions of section 722(g) of the International Security and Development Cooperation Act of 1985 (Public Law 99-____) (the Act) and chapter V of the Supplemental Appropriations Act, 1985 (Public Law 99-____) (the Supplemental Act), it is hereby ordered as follows:

Section 1. Establishment. (a) There is hereby established within the Executive branch the Nicaraguan Humanitarian Assistance Office, hereinafter referred to as the Office.

(b) Except as provided below, the Office shall in all respects operate as an autonomous agency.

(c) The Office shall, unless otherwise extended, terminate on April 1, 1986, or one week following completion of disbursement of the funds made available under the Act and the Supplemental Act, whichever date is later.

(d) The Office is designated to receive the funds made available by the Act and the Supplemental Act for humanitarian assistance to the Nicaraguan democratic resistance.

Section 2. Functions. The Office shall, in accordance with the FAA, section 722(g) of the Act, chapter V of the Supplemental Act and the provisions of this order, administer the program of humanitarian assistance to the Nicaraguan democratic resistance authorized thereunder. To this end, the Director may, to the extent permitted by law and the provisions of this order, enter into such grant agreements and contracts and take such other actions as may be necessary to effectively implement the program.

Section 3. Policy guidance. To the end that such programs and activities are effectively integrated with and supportive of the foreign policy of the United States, the Secretary of State shall be responsible for the continuous supervision and general direction of the programs and activities carried out by the Office.

CONFIDENTIAL
DECL: OADR

CONFIDENTIAL

- 2 -

Section 4. Organization and administration. (a) At the head of the Office there shall be a Director, who shall be designated by the President. The Director shall exercise immediate supervision and direction over the Office.

(b) The Office shall be made up of no more than twelve additional officers, plus appropriate support personnel, who shall be detailed from federal agencies other than the Central Intelligence Agency and the Department of Defense.

(c) The Secretary of State shall provide the Office with such administrative services, facilities and other support as may be necessary for the performance of its functions.

(d) At the request of the Director, the agencies of the Executive branch shall provide such information, advice, additional administrative services and facilities as may be necessary for the fulfillment of the Office's functions under this order.

Section 5. Classified materials. In accordance with section 1.2(a)(2) of Executive Order 12356 of April 1, 1982, the Director is hereby designated an agency head with authority to classify information originally as Top Secret. The Director shall ensure that the Office establishes and maintains controls for the safeguarding of classified information as provided in part 4 of that order.

Section 6. Delegation of functions. Subject to the provisions of this order and Executive Order 12163 of September 29, 1979, as amended, and to the extent necessary to the efficient and effective implementation of this order, there are hereby delegated to the Director the functions conferred upon the President (and not reserved to him) by section 634B of the FAA and other provisions of the FAA that relate directly and necessarily to the conduct of the programs and activities vested in or delegated to the Director.

Section 7. Procurement. (a) In accordance with the provisions of section 633 of the FAA, it is hereby determined to be in furtherance of the purposes of the FAA that the functions authorized thereunder, as set forth in section 2 of this order, may be performed by the Director without regard to the provisions of law and limitations of authority specified in Executive Order 11223 of May 12, 1965, as amended.

(b) It is directed that each specific use of the waivers of statutes and limitations of authority authorized by this section shall be made only when determined in writing by the Director that such use is necessary to the efficient and effective implementation and in furtherance of the purposes of this order and in the interests of the United States.

CONFIDENTIAL
DECL: OADR

CONFIDENTIAL

- 3 -

Section 8. Auditing. The Director shall contract with an independent, recognized accounting firm to audit the program implemented by the Office, such audits to be conducted no less frequently than every ninety days.

Section 9. Reports and testimony. (a) The Director shall prepare for inclusion in the reports required by section 722(j)(2) of the Act a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to section 722(g) of the Act.

(b) The Director shall be available for testimony before Congress on the Office's implementation of the program of humanitarian assistance.

The White House
August __, 1985

CONFIDENTIAL
DECL: OADR